

Fiscal Note

Fiscal Services Division



SF 2077– Categorical Supplemental State Aid (LSB 5827SV)
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Fiscal Note Version – New

Description

Senate File 2077 requires a 6.0% State percent of growth rate to be applied to each of the State categorical cost per pupil amounts for FY 2016.

Background

The State categorical supplements are funded entirely through State aid and generate funds for each school district and area education agency (AEA) through the school aid formula on a per pupil basis. The FY 2015 State cost per pupil funding levels for the teacher salary supplement (district and AEA), professional development supplement (district and AEA), and early intervention supplement (district only) will be increased by a 6.0% State percent of growth for FY 2016. Additionally, FY 2016 will be the initial year that the teacher leadership supplement (TLS) will be included in the school aid formula and the current estimated per pupil amount for FY 2015 is \$308.82 and will be impacted by SF 2077. The following table provides the per pupil growth amounts and State cost per pupil amounts for FY 2016 based on SF 2077.

State Categorical Supplements	FY 2015 State Cost Per Pupil Amount	FY 2016 State Percent of Growth	Supplemental State Aid	FY 2016 State Cost Per Pupil
Teacher Salary - Districts	\$ 548.51	6.0%	\$ 32.91	\$ 581.42
Professional Development - Districts	61.74	6.0%	3.70	65.44
Early Intervention	67.68	6.0%	4.06	71.74
<i>Teacher Leadership (Estimated)</i>	308.82	6.0%	18.53	327.35
Teacher Salary - AEAs	28.71	6.0%	1.72	30.43
Professional Development - AEAs	3.35	6.0%	0.20	3.55

AEA = Area Education Agency

Additionally, there is a budget guarantee provision for each of the State categorical supplements that provides each district and AEA with a minimum of the previous fiscal year's level of funding (net of the previous year's budget guarantee amount). This provision for the State categorical supplements is funded entirely through State aid.

Assumptions

Estimates are based on October 2013 certified enrollments and preliminary weightings and estimated projections of the October 2014 enrollment counts.

Fiscal Impact

The estimated total fiscal impact of SF 2077 will be a General Fund expenditure of \$362.7 million to fund the FY 2016 State categorical supplement amounts. This is an increase of \$20.9 million (6.1%) compared to estimated FY 2015. This estimate does not current include

the estimate for the teacher leadership supplement (TLS) for FY 2016. That amount will be predicated on enrollments of districts approved to implement the program in FY 2015 and the overall appropriation amount for the program in FY 2015. The LSA anticipates that the total TLS funding generated through the school aid formula will not exceed \$52.5 million in FY 2016.

The following table provides the detail of the funding levels for each of the State categorical supplements. School aid estimates by school district are available on the [LSA website](#).

Estimated Funding Levels - SF 2077				
	District Amount FY 2016	AEA Amount FY 2016	Total Amount FY 2016	FY 2016 vs. FY 2015
Teacher Salary Supplement				
Unadjusted Amount - District	\$ 278,893,010	\$ 15,739,671	\$ 294,632,682	
Budget Guarantee Amount - District	207,843	7,884	215,726	
Total Amount - District	\$ 279,100,853	\$ 15,747,555	\$ 294,848,408	\$ 17,027,900
	District Amount FY 2016	AEA Amount FY 2016	Total Amount FY 2016	FY 2016 vs. FY 2015
Professional Development Supplement				
Unadjusted Amount - District	\$ 31,608,523	\$ 1,840,739	\$ 33,449,263	
Budget Guarantee Amount - District	22,425	862	23,287	
Total Amount - District	\$ 31,630,949	\$ 1,841,601	\$ 33,472,550	\$ 1,933,376
	District Amount FY 2016	AEA Amount FY 2016	Total Amount FY 2016	FY 2016 vs. FY 2015
Early Intervention Supplement				
Unadjusted Amount	\$ 34,392,186	NA	\$ 34,392,186	
Budget Guarantee Amount	21,976	NA	21,976	
Total Amount	\$ 34,414,162	NA	\$ 34,414,162	\$ 1,976,854
	District Amount FY 2016	AEA Amount FY 2016	Total Amount FY 2016	FY 2016 vs. FY 2015
All State Categorical Supplements				
Total Unadjusted Amount	\$ 344,893,720	\$ 17,580,411	\$ 362,474,131	
Total Budget Guarantee Amount	252,244	8,745	260,990	
Total State Categorical Supplement	\$ 345,145,964	\$ 17,589,156	\$ 362,735,120	\$ 20,938,130

Note:

Totals may not sum due to rounding.

Sources

Iowa Department of Education, Certified Enrollment file and Enrollment Projections file
Iowa Department of Management, School Aid file
LSA analysis and calculations

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.